

## **MINUTES**

### **MONTANA SENATE 61st LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** Chairman Jeff Essmann, on March 19, 2009 at 8:00  
A.M., in Room 405 Capitol

#### **ROLL CALL**

**Members Present:**

Sen. Jeff Essmann, Chairman (R)  
Sen. Taylor Brown, Vice Chairman (R)  
Sen. Jerry W. Black (R)  
Sen. Gary Branae (D)  
Sen. Ron Erickson (D)  
Sen. Kelly Gebhardt (R)  
Sen. Kim Gillan (D)  
Sen. Bradley Hamlett (D)  
Sen. Christine Kaufmann (D)  
Sen. Bob Story Jr. (R)  
Sen. Bruce Tutvedt (R)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Lee Heiman, Legislative Branch  
Debra Polhemus, Committee Secretary

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: SB 504, 3/10/2009; SB 507,  
3/13/2009; HB 588, 3/13/2009

Executive Action: None

**HEARING ON HB 588**

**Opening Statement by Sponsor:**

00:00:27 Rep. Duane Ankney (R), HD 43, opened the hearing on  
HB 588, Revise coal gross proceeds distribution.

**Proponents' Testimony:**

00:03:38 Sue Olson, Commissioner, Musselshell County  
00:04:22 Daniel Watson, Commissioner, Rosebud County  
00:05:33 Bob Gilbert, representing Rosebud and Musselshell  
Counties  
00:05:57 William Duffield, Executive Director, Montana  
Association of Oil, Gas & Coal Counties, Inc. (MAOGC)

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:** None

**Closing by Sponsor:**

00:07:28 Rep. Ankney

**HEARING ON SB 504**

**Opening Statement by Sponsor:**

00:09:29 Sen. Joe Balyeat (R), SD 34, opened the hearing on  
SB 504, Abolish income tax with RTIC designed  
replacement sales tax.

[EXHIBIT\(tas61a01\)](#)

[EXHIBIT\(tas61a02\)](#)

**Proponents' Testimony:** None

**Opponents' Testimony:**

00:30:01 Anthony Cacace, self

[EXHIBIT\(tas61a03\)](#)

00:32:40 Tom Bilodeau, Research Director, MEA/MFT

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

00:36:01 Sen. Gebhardt  
00:36:25 Sen. Balyeat  
00:37:37 Sen. Erickson  
00:38:18 Sen. Balyeat  
00:48:11 Sen. Brown  
00:48:55 Sen. Balyeat  
00:52:27 Sen. Erickson  
00:52:43 Sen. Balyeat  
00:53:35 Sen. Gebhardt  
00:54:04 Sen. Balyeat  
00:55:39 Sen. Tutvedt  
00:56:14 Sen. Balyeat  
00:57:26 Chairman Essmann  
00:57:50 Sen. Balyeat

**Closing by Sponsor:**

01:01:05 Sen. Balyeat  
  
01:06:12 Recess  
  
01:16:23 Reconvene

**HEARING ON SB 507**

**Opening Statement by Sponsor:**

01:16:46 Sen. Bob Story (R), SD 30, opened the hearing on  
SB 507, Use of river beds.

**Proponents' Testimony:**

01:31:51 John Blomquist, Attorney, representing Montana  
Stockgrowers Association (MSA)  
01:41:06 Krista Lee Evans, representing Association of Gallatin  
County Irrigators (AGAI), and Senior Water Rights  
Coalition (SrWRC)  
01:52:20 John Youngberg, representing Montana Farm Bureau (MFBF)  
01:56:24 Mike Murphy, representing Montana Water Resources  
Association (MWRA)  
01:58:05 Chris Christiaens, representing Montana Farmers' Union  
01:59:12 Carl Schutter, Manhattan-area farmer

**Opponents' Testimony:**

02:01:43 Mary Sexton, Director, Department of Natural Resources  
and Conservation (DNRC)

**EXHIBIT(tas61a04)**

02:11:50 Anthony Johnstone, State Solicitor, Department of  
Justice (DOJ)

02:22:23 Rusty Harper, speaking for Secretary of State Linda  
MuCullough

02:25:06 Dave Van Nice, speaking for State Auditor Monica  
Lindeen

02:25:46 Tom Bilodeau, Research Director, MEA/MFT

**EXHIBIT(tas61a05)**

Written testimony from Carter G. Kruse, President,  
Montana Chapter of the American Fisheries Society dated  
March 17, 2009.

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

02:26:33 Sen. Erickson

02:27:02 Anthony Johnstone, DOJ

02:27:19 Rep. Erickson

02:27:32 Mary Sexton, DNRC

02:28:08 Sen. Erickson

02:28:56 Sen. Story

02:33:45 Sen. Tutvedt

02:34:04 Sen. Story

02:35:05 Sen. Hamlett

02:35:38 Mary Sexton

02:38:00 Chairman Essmann

02:38:32 Mary Sexton

02:38:55 Candace West, Chief Legal Counsel, DNRC

02:42:13 Chairman Essmann

02:42:54 Candace West

02:46:38 Sen. Hamlett

02:47:36 Candace West

02:47:59 Monte Mason, Minerals Management Division, DNRC

02:53:00 Sen. Tutvedt

02:53:39 John Blomquist, MSA

02:56:02 Chairman Essmann

**EXHIBIT(tas61a06)**

03:00:05 Anthony Johnstone

03:01:58 Sen. Hamlett

03:02:22 Monte Mason, DNRC

03:04:42 Sen. Tutvedt

03:05:08 Sen. Story

03:06:12 Sen. Hamlett

**Questions from Committee Members and Responses: (Con't)**

03:06:34 Monte Mason  
03:07:17 Sen. Tutvedt  
03:07:31 Mary Sexton  
03:11:16 Sen. Tutvedt  
03:11:38 Sen. Story  
03:13:10 Sen. Tutvedt  
03:13:34 Mary Sexton

**Closing by Sponsor:**

03:14:06 Sen. Story

**Committee Business:**

03:19:10 Chairman Essmann

**Additional Exhibits:**

**EXHIBIT(tas61a07)**

**EXHIBIT(tas61a08)**

Both exhibits pertain to SB 506 heard in committee on  
March 28, 2009.

**ADJOURNMENT**

Adjournment: 11:20 A.M.

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Debra Polhemus, Secretary

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Additional Documents:

**EXHIBIT ([tas61aad.pdf](#))**